



## About Your 2002 Form 1099R

Dear Benefit Recipient:

The following information is provided to help you understand your 2002 Form 1099R:

**NEW** ➤ If you performed active service after January 1, 2001, you will receive a separate Form 1099R for payments made from your **Defined Benefit Supplement** account. (The DBS program is a new program that supplements the Defined Benefit account.)

### **Payments Reflect Amounts Paid in 2002 Tax Year**

The 2002 Form 1099R reflects amounts paid during the 2002 tax year, regardless of the month for which the amounts were earned. The 2002 Form 1099R includes payments with issue dates from January 1, 2002, through December 31, 2002. The payment issued January 1, 2003, for the month of December 2002 will be included on the year 2003 Form 1099R.

### **Overpayments**

If you were **overpaid a benefit** and an **account receivable** was established to collect from you, the following information may help you with the preparation of your tax return:

- 1) If your overpayment occurred in 2002 and payments were received in 2002, the receivable collection reduces your "Gross distribution," (Box 1 on 2002 Form 1099R).
- 2) For overpaid benefits occurring prior to 2002, payments towards your receivable balance made during calendar year 2002, are not reflected in your "Gross distribution," (Box 1 on Form 1099R). Instead, you will receive an acknowledgement letter under separate cover detailing amounts remitted for these "prior year" receivable payments. You may wish to consult a tax professional regarding the use of this letter when filing your tax return.

For more information, refer to Internal Revenue Service Publication 575.

### **CalSTRS Uses Simplified General Rule**

For those who retired after December 31, 1988, CalSTRS uses the IRS Simplified General Rule (or SGR) to determine taxable income. If you paid post-tax retirement contributions while employed, a portion of each pension payment is excluded from your taxable income. This tax-free part of the payment is calculated for you and is reported in Box 5 of Form 1099R. The taxable amount of your retirement income is reflected in Box 2a. CalSTRS' use of the SGR to determine the taxable amount on your Form 1099R at the end of the year does not preclude you from using another IRS approved exclusion method. You do not need to request an additional Form 1099R if you have selected another exclusion method. For more information, refer to IRS Publication 575.

**Court Ordered Deductions**

If your benefit payment had **Court Ordered Deductions** (or COD) and the recipient of the COD was deemed to be tax responsible, your gross payments have been reduced by the COD amount. Per IRS instructions, this reduction will not be included in the COD box shown on your Form 1099R. Refer to IRS Publication 575 or consult a qualified tax professional regarding your individual situation.

**Box 5**

Box 5 represents the non-taxable portion of your 2002 distributions.

**Separate Form Issued for Rollovers**

A separate Form 1099R is issued for each portion of funds that were rolled over to an IRA or other qualified plan. These Form 1099R's will have a distribution code "G" or "H" in Box 7.

**For More Information**

For additional information, refer to the reverse side of the Form 1099R or visit our Web site at <http://www.calstrs.ca.gov>.

**Change of Address**

An incorrect address does not affect the validity of a 1099R. You should, however, notify CalSTRS in writing of any change of address to insure prompt delivery of benefit payments, correspondence and Form 1099R.

**To Request a Duplicate Form 1099R**

Requests for information or a duplicate Form 1099R can be made in writing or by e-mail. All requests in writing must include your name, Social Security number, tax year requested, mailing address, daytime telephone number and signature. Please allow 10-15 working days for receipt of your duplicate Form 1099R. Send requests to the address below, ATTN: Public Service Office, MS 86.

All inquiries concerning federal or state tax returns should be directed to your local Internal Revenue Service, Franchise Tax Board Office or a qualified tax professional. The California State Teachers' Retirement System can only respond to questions regarding information reported on the Form 1099R.

**California State Teachers' Retirement System**

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